

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01917A
Dragoon Water Company
P.O. Box 85160
Tucson, AZ 85754

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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3-7-11

COMPANY INFORMATION

Company Name (Business Name) Dragoon Water Company

Mailing Address P.O. Box 85160
(Street)

Tucson
(City)

AZ
(State)

85754
(Zip)

520-623-5172
Telephone No. (Include Area Code)

520-792-0377
Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address Same as above
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

☐ **Management Contact:** Kevin Sullivan

(Name)

President
(Title)

P.O. Box 85160
(Street)

Tucson
(City)

AZ
(State)

85754
(Zip)

520-623-5172
Telephone No. (Include Area Code)

520-792-0377
Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

On Site Manager: Southwestern Utility Management, Inc.

(Name)

P.O. BOX 85160
(Street)

Tucson
(City)

AZ
(State)

85754
(Zip)

520-623-5172

520-792-0377

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email

Address swumgmt@aol.com

Statutory Agent: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME**DRAGOON WATER CO., INC.****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	6,983		6,983
302	Franchises			
303	Land and Land Rights	5,187		5,187
304	Structures and Improvements	29,114	20,391	8,723
307	Wells and Springs	51,913	24,101	27,812
311	Pumping Equipment	189,175	189,175	0
320	Water Treatment Equipment	3,649	360	3,289
330	Distribution Reservoirs and Standpipes	96,107	55,876	40,231
331	Transmission and Distribution Mains	216,212	89,461	126,751
333	Services	20,326	8,609	11,717
334	Meters and Meter Installations	27,418	25,464	1,954
335	Hydrants	633	185	448
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	4,045	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	280	84	196
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	9,614	5,961
	TOTALS	666,617	427,365	239,252

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME DRAGOON WATER CO., INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	6,983		
302	Franchises			
303	Land and Land Rights	5,187		
304	Structures and Improvements	29,114	3.33%	969
307	Wells and Springs	51,913	3.33%	1,729
311	Pumping Equipment	189,175	12.50%	1,009
320	Water Treatment Equipment	3,649	3.30%	120
330	Distribution Reservoirs and Standpipes	96,107	2.22%	2,134
331	Transmission and Distribution Mains	216,212	2.00%	4,324
333	Services	20,326	3.33%	677
334	Meters and Meter Installations	27,418	8.33%	2,284
335	Hydrants	633	3.33%	21
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,045	6.67%	128
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	280	5.00%	14
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	15,575	2.50%	389
	SUBTOTAL	666,617		13,798
	Less: Amortization of Contributions			7,078
	TOTAL	666,617		6,720

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors of
Dragoon Water Co., Inc.
Glendale, Arizona

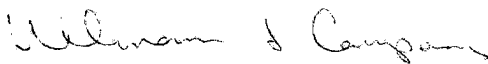
We have compiled the balance sheet of Dragoon Water Co., Inc. (a corporation) as of December 31, 2010 and 2009, and the related comparative statement of income and expense for the years then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Arizona Corporation Commission.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Arizona Corporation Commission and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission and is not intended to be and should not be used by anyone other than this specified party.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.


ULLMANN & COMPANY, P.C.
Certified Public Accountants

February 22, 2011

COMPANY NAME

DRAGOON WATER CO., INC.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 23,754	\$ 31,530
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,100	7,995
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	49,321	45,437
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 84,175	\$ 84,962
	FIXED ASSETS		
101	Utility Plant in Service	\$ 656,681	\$ 666,617
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	413,567	427,365
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 243,114	\$ 239,252
	TOTAL ASSETS	\$ 327,289	\$ 324,214

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME
DRAGOON WATER CO., INC.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 697	\$ 3,221
232	Notes Payable (Current Portion)	10,710	11,223
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	4,130	4,000
236	Accrued Taxes	3,020	603
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	40	206
	TOTAL CURRENT LIABILITIES	\$ 18,597	\$ 19,253
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 124,904	\$ 113,682
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	60,878	60,691
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	125,935	125,935
272	Less: Amortization of Contributions	78,687	85,765
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 108,126	\$ 100,861
	TOTAL LIABILITIES	\$ 251,627	\$ 233,796
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 13,000	\$ 13,000
211	Paid in Capital in Excess of Par Value	168,642	168,642
215	Retained Earnings	(105,980)	(91,224)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 75,662	\$ 90,418
	TOTAL LIABILITIES AND CAPITAL	\$ 327,289	\$ 324,214

COMPANY NAME

DRAGOON WATER CO., INC.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 106,606	\$ 96,442
460	Unmetered Water Revenue		
474	Other Water Revenues	869	1,634
	TOTAL REVENUES	\$ 107,475	\$ 98,076
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Power	12,673	12,512
618	Chemicals	0	908
620	Repairs and Maintenance	2,765	6,026
621	Office Supplies and Expense	1,330	2,761
630	Outside Services	56,955	34,554
635	Water Testing	3,109	1,928
641	Rents	103	622
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	12,345	8,376
403	Depreciation Expense	20,996	6,720
408	Taxes Other Than Income		
408.11	Property Taxes	5,013	4,416
409	Income Tax	(26,823)	(1,684)
	TOTAL OPERATING EXPENSES	\$ 88,466	\$ 77,139
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 324	\$ 13
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	6,624	6,193
	TOTAL OTHER INCOME/EXP	\$ (6,300)	\$ (6,180)
	NET INCOME/(LOSS)	\$ 12,709	\$ 14,757

COMPANY NAME Dragoon Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIES			
Source of Loan	WIFA			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$196,383	\$	\$	\$
Amount Outstanding	\$124,905	\$	\$	\$
Date of Maturity				
Interest Rate	4.688%	%	%	%
Current Year Interest	\$6,193	\$	\$	\$
Current Year Principle	\$10,709	\$	\$	\$

Meter Deposit Balance at Test Year End \$4,429

Meter Deposits Refunded During the Test Year \$1,065

COMPANY NAME Dragoon Water Company	
Name of System:	ADEQ Public Water System Number: 02-015

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-631739	15	55	760	12	3	1958
55-631738	30	200	987	12	4	1967

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		
15	2		
10	2		
1.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2
20,000	1	2,000	1
5,000	1	100	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Dragoon Water Company	
Name of System:	ADEQ Public Water System Number: 02-015

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	890
3	AC	2,830
4	AC	4,030
5		
6	AC	600
8		
10		
12		
3	PVC	16,418
4	PVC	10,197
6	PVC	8,860

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	122
3/4	
1	20
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Two Chlorinators

STRUCTURES:

10' X 10' Pump House

10' X 12' pump House

1200 ft of Chain Link Fence

5' X 5' Booster House and Two Storage Shops

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Dragoon Water Company	
Name of System:	ADEQ Public Water System Number: 02-015

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	125	584	339	0
FEBRUARY	124	593	904	0
MARCH	124	512	312	0
APRIL	123	718	424	0
MAY	124	809	487	0
JUNE	125	1466	850	0
JULY	125	1210	709	0
AUGUST	126	824	407	0
SEPTEMBER	127	859	345	0
OCTOBER	126	742	586	0
NOVEMBER	126	767	432	0
DECEMBER	127	581	349	0
TOTALS →		9665	6144	0

Note: Well Site #1 flow meter did not register correctly due to malfunctioning conditions of operation.

What is the level of arsenic for each well on your system? <0.003 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Dragoon Water Company	
Name of System:	ADEQ Public Water System Number: 02-015

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	2	
FEBRUARY	0	1	
MARCH	0	1	
APRIL	0	3	
MAY	0	4	
JUNE	0	3	
JULY	0	2	
AUGUST	0	5	
SEPTEMBER	0	5	
OCTOBER	0	2	
NOVEMBER	0	1	
DECEMBER	0	2	
TOTALS →	0	31	

OTHER (description):

COMPANY NAME Dragoon Water Company YEAR ENDING 12/31/2010

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 4,715

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	COCHISE
NAME (OWNER OR OFFICIAL) TITLE	KEVIN SULLIVAN, PRESIDENT
COMPANY NAME	DRAGOON WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

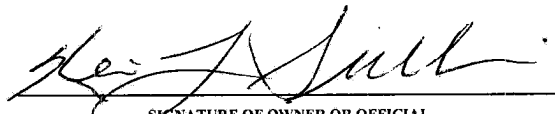
MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



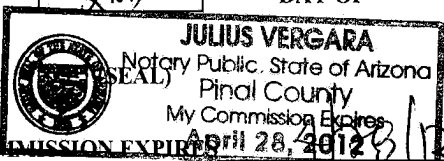
SIGNATURE OF OWNER OR OFFICIAL
602-818-6888

TELEPHONE NUMBER


SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 20 **DAY OF**


MY COMMISSION EXPIRES April 28, 2012

COUNTY NAME	PINAL	
MONTH	MARCH	2011



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Dragoon Water Company

YEAR ENDING 12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>45</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/7/11
DATE

Kevin L Sullivan
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
COCHISE
NAME (OWNER OR OFFICIAL) TITLE
KEVIN SULLIVAN, PRESIDENT
COMPANY NAME
DRAGOON WATER CO., INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 104,724

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,648
IN SALES TAXES BILLED, OR COLLECTED)**

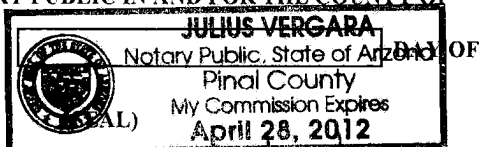
****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
602 818-6888
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME	PINAL
MONTH	MARCH 2 2011

MY COMMISSION EXPIRES

4/28/12


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	COCHISE	
NAME (OWNER OR OFFICIAL)	KEVIN SULLIVAN	TITLE PRESIDENT
COMPANY NAME	DRAGOON WATER CO., INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:


ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 87,376

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,245

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL
602 818-6888
TELEPHONE NUMBER

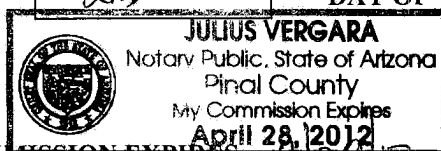
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF


THIS 2ND **DAY OF**

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME	JULIUS VERGARA	
COUNTY NAME	PINAL	
MONTH	MARCH 2	2011


SIGNATURE OF NOTARY PUBLIC



Wells Fargo Business Online®

View Check Copy

Check Number	Date Posted	Check Amount	Account Number
4173	03/05/10	\$2,506.44	DRAGOON XXXXXX5807

DRAGOON WATER COMPANY P.O. BOX 25150 TUCSON, AZ 85784 520-878-6172		WELLS FARGO BANK, N.A. WWW.WELLSFARGO.COM AT 800.557.1234	4173
PAY TO THE ORDER OF <u>Marsha Bonham - Cochise County Treasurer</u>		3/2/2010	DOLLARS
Two Thousand Five Hundred Six and 44/100		\$ 2,506.44	
Marsha Bonham - Cochise County Treasurer PO Box 1778 Essee, AZ 85603-2778			
MEMO: Prop Tax OS 2nd 908-60-8007			
⑈004173⑈ ⑆122105278⑆5788195807⑈			

⑈004173⑈ ⑆122105278⑆5788195807⑈	⑈004173⑈ ⑆122105278⑆5788195807⑈
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Equal Housing Lender

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Make check payable to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

Due October 1, 2010

DRAGON WATER CO

Parcel Number: 908-60-900 7 Roll Number: 0121980

1

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments marked after **5:00 P.M. November 1, 2010** (S 42-18052 and ARS 42-18053).

Any total property tax notice of \$100 or less must be paid **in full** using the first payment coupon, **no later than November 1, 2010 at 5:00 P.M.**

With one full year payment for billed amounts of \$100 by **Jan. 3, 2011** and no interest will be charged for current year. Mail full year payment with first half coupon.

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778



029086090000700000220807

2,208.07

4,416.14

2010 90860900007 1 00000044161400000220807

DRAGON WATER COMPANY

P.O. BOX 85160
 TUCSON, AZ 85754
 520-623-5172

Wells Fargo Bank, N.A.
 Tucson, AZ 85710

91-527-1221



10/6/2010

PAY TO THE ORDER OF: **Marsha Bonham - Cochise County Treasurer**

\$ **2,208.07

Two Thousand Two Hundred Eight and 07/100*****

DOLLARS

Marsha Bonham - Cochise County Treasurer
PO Box 1778
Bisbee, AZ 85603-2778

AUTHORIZED SIGNATURE

MEMO

Parcel# 908-60-900 7

⑈004252⑈ ⑆122105278⑆5788195807⑈

DRAGON WATER COMPANY

4252

Marsha Bonham - Cochise County Treasurer

10/6/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
6/10/2010	Bill	908-60-900 7 1st	2,208.07	2,208.07		2,208.07
				Check Amount		2,208.07

Wells Fargo Bank #X Parcel# 908-60-900 7

2,208.07

2010 9086090007 2 0000004161400000220807

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778



0290860900007000000220807

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

Due March 1, 2011
Parcel Number: 908-60-900 7 Roll Number: 0121980
Delinquency Date Second Half Payment
Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. May 2, 2011 (ARS 42-18052 and ARS 42-18053).



2,208.07

2

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

Make check payable to:

DETACH AND RETURN WITH PAYMENT

2010 PROPERTY TAX NOTICE

ARIZONA

PARCEL #	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	PRIMARY PROPERTY TAX	
908-60-900 7	0900	6.7275	3.5321		2,966.84	
	VALUE IN DOLLARS	ASSTMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	TAX
LIMITED LAND, BLDGS, ETC	11,279	21.0	2,368	0	6.7275	159.38
LIMITED PERSONAL PROPERTY	198,721	21.0	41,731	0	6.7275	2,807.45
LIMITED TOTALS	210,000		44,100	0		2,966.84
FULL CASH LAND	1,680	21.0	334	0	3.5321	11.80
FULL CASH BUILDINGS, ETC	9,889	21.0	2,036	0	3.5321	71.88
FULL CASH PERSONAL PROPERTY	198,721	21.0	41,731	0	3.2724	1,365.82
FULL CASH TOTALS	210,000		44,100	0		1,449.30
					TOTAL TAX DUE FOR 2010	4,416.14

JURISDICTION

	2009 TAXES	2010 TAXES
02000 COCHISE COUNTY	1,215.04	1,158.78
02001 STATE SCHOOL TAX EQU	152.01	157.17
07009 BENSON SD #9	2,356.53	1,871.31
08150 COCHISE COUNTY JUNIO	739.13	704.90
10252 SAN PEDRO VALLEY HOS	413.82	396.91
11900 FIRE DISTRICT ASSIST	40.15	34.88
14900 COCHISE COUNTY LIBRA	66.72	63.98
15000 COCHISE COUNTY FCD #	6.49	6.15
30000 COCHISE CNTY JOINT T	22.99	22.06

TOTALS 5,012.88 4,416.14

Amount \$0-1-10
Amount \$0-1-10

908-60-900 7

0062908 01 AT 0.354 **AUTO TO 0 0786 85308-412750

PAGE 0001 OF 0001 00061984

DRAGON WATER CO
KEVIN SULLIVAN/PRESIDENT
3950 W WOODRIDGE DRIVE
GLENDALE AZ 85308-4127

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2010. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 2, 2011. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Jan. 3, 2011 and no interest will be charged for current year.

Make your check payable to and mail to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.